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SUBJECT: WESTERN HEMISPHERE: VENEZUELA, CHAVEZ REGIONAL AND  
INTERNATIONAL INFLUENCE; BRAZIL AND THE SGP; SAO PAULO

11. "Oil Threatens Chavez"

Center-right O Estado de S. Paulo (9/25) editorialized: "President  
Hugo Chavez does not use the richness provided by its nation's oil

reserves to prepare Venezuela's infrastructure for the day oil will  
be over, but to finance a flogging campaign against the US and to  
weaken democratic institutions. All this has the purpose of  
perpetuating himself in power.... Now the speculation wave seems to  
be ending and oil prices are ending up near USD 50 per barrel. If  
this is confirmed, Chavez will soon be deprived of money to support  
his ideological extravagances and ambition for power. After all,  
it's only because he has so far enjoyed large resources resulting  
from the daily sale of oil by more than USD 70 per barrel that he  
has been able to send to Cuba an annual aid estimated in USD 4  
billion in the hope of becoming Fidel Castro's legitimate  
successor.... During 40 days in July and August, Chavez visited ten  
nations not only to obtain support for Venezuela's claim for a seat  
at the UN Security Council, but also to present himself as the  
leader of an opposition axis against the US.... Chavez's foreign  
policy goal is to create a front of nations that are hostile not  
only to the US, but also to capitalist democracies. He wants to  
revive the North-South antagonism.... To protect Venezuela from  
non-existent threats, he is buying weapons in large quantities - a  
fact that may cause an arms race in the region. Domestically, his  
goal is to become dictator for life.... As long as oil receipts  
permit, such assaults on democracy and regional stability will  
continue to be carried out near Brazilian borders. And the Lula  
administration, which flirts with Chavez, does not see that the  
storm being formed in the Caribbean may affect Brazil."

12. "GSP - Brazil-US Partnership"

The president of the state of Sao Paulo Industrial Federation  
(FIESP), Paulo Skaf, wrote in center-right O Estado de S. Paulo  
(9/23): "The GSP is one of the economic and commercial pillars of  
the partnership between Brazil and the US. Incidentally, it is only  
one that remains for us. Removing Brazil from the GSP is,  
therefore, to contradict the goal established by Presidents Lula da  
Silva and George W. Bush in November 2005 of doubling the bilateral  
trade by 2010. To focus on trade expansion and commercial  
negotiations is the Brazilian industrial sector's proposal.... There  
are in the US Congress two bills to renew the GSP for two more years  
to benefit Brazil. FIESP will make every effort to support their  
approval."

McMullen